

The Afghanistan Engineering Support Program assembled this deliverable. It is an approved, official USAID document. Budget information contained herein is for illustrative purposes. All policy, personal, financial, and procurement sensitive information has been removed. Additional information on the report can be obtained from Firouz Rooyani, Tetra Tech Sr. VP International Operations, (703) 387-2151.

Meeting Minutes DABS-USAID Coordination Retreat

January 23, 2016

Location: US Embassy, Kabul, Afghanistan
Subject: DABS-USAID Coordination Retreat

A DABS-USAID Coordination Retreat was conducted on January 23, 2016 at the US Embassy in Kabul. An agenda was prepared and distributed prior to the meeting and is included as Attachment 1. Participants included representatives from DABS, USAID, Tetra Tech and Fluentgrid. A copy of the list of participants is included as Attachment 2. The Retreat consisted of introductions by key USAID and DABS staff, a discussion about corporate transparency, three workshop sessions and a closing session. Key elements of the retreat were as follows:

- 1. Welcome and Introductions:** The meeting was opened by [REDACTED] Office of Infrastructure (OI) Director for USAID. As part of his welcome to the group [REDACTED] noted that this retreat is intended to reinforce teamwork that is already present. The setting for the Retreat pulls us all away from normal day job and provides an opportunity to talk and meet new people. He further noted that as DABS matures into a corporate organization, the direct assistance from USAID will taper down over time. USAID is in effect trying to work themselves out of a job so that DABS can take over. [REDACTED] then reviewed the Purpose and Objectives of the Retreat as outlined in the power point presentation, which is included as Attachment 3:

- Purpose of Meeting
 - Build teamwork across the DABS-USAID team
 - Identify specific constraints top performance
 - Understand new vision for DABS
 - Get to know each other in an informal setting
- Objectives of Meeting
 - Develop Action Plan to address constraints
 - Feasible, measureable and specific
 - Prepare Team to achieve significant results for the Afghan people

- 2. Opening Remarks.** A brief summary of the opening remarks provided is as follows:

- [REDACTED] CEO of DABS discussed his new role with DABS and the importance of the relationship with USAID.
 - [REDACTED] noted that, while he is a US citizen, he was born in Afghanistan. He was offered an opportunity to serve in Afghanistan and has come with expectations about trying to implement new ideas. He also noted that he has just finished his first month, trying to get to know people at DABS and also at USAID.
 - [REDACTED] commented that prior to coming to DABS, he has heard praise from consultants, USAID and the World Bank, indicating that DABS stands head and shoulders above most other ministries. However he also stated that

there is a perception with the Afghan community that “DABS is a place full of fraud”.

- [REDACTED] noted that he is trying to find the issues related to fraud. Most of the staff at DABS are young and educated and he is confident that this perception can be changed over time. When people hear about millions of dollars of contracts being procured, people naturally suspect fraudulent activity. As a company, we cannot sustain the level of growth that we desire without proper financial management and resources.
- [REDACTED] noted that unfortunately there is a deficit in DABS financial performance because of the foreign exchange rate. Although DABS was planning to increase the tariff, it was decided not to because of the difficulties in Afghanistan. He noted that during just the last few months, nearly \$16-17 million will be lost simply due to the foreign exchange rate. DABS is currently trying to come up with ways to make up for this deficit. One of the ways to make up for this is to try to collect money from those not currently contributing.
- [REDACTED] discussed that as a priority, he is working on a business plan. Without a proper business plan DABS cannot move forward. This requires both a 5-year plan and a 1-year plan. He noted that hopefully DABS can share these plans once completed.
- [REDACTED] closed by stating that he has hope that with the help of colleagues and friends at USAID that DABS will be become a company model for others in Afghanistan.
- [REDACTED] USAID Mission Director welcomed all to USAID/Afghanistan office and especially welcomed their partner DABS, and its newly appointed CEO, [REDACTED] and noted that USAID greatly looks forward to working with him.
 - [REDACTED] also noted that the timing of this event was just about perfect. With the very recent appointment of [REDACTED] at the end of December, USAID is excited to get to know him better and to understand his vision for DABS and his initial priorities. He further noted that USAID is excited to help accelerate his learning curve in his new position, especially with regard to challenges in Afghanistan’s power sector, the organizational capacity of DABS, the scale and nature of USAID’s support to DABS, and the array of current programs that will require his input and decisions.
 - [REDACTED] noted that USAID’s vision for DABS is to support DABS on a path of ever-increasing sustainability and to see DABS become more self-reliant, as evidenced through increasing commercial sustainability, increased financial viability, increased human capital capacity, and delegations of authority to lower levels in the organization so that routine decisions do not have to be made by senior management. [REDACTED] commented on the impressive pace of DABS’ progress on this path to self-reliance during the seven years USAID has supported DABS and noted that USAID has no doubt that that progress will continue with significant new achievements.
 - [REDACTED] also discussed an additional aspect of USAID’s vision for DABS, noting that U.S. foreign assistance to Afghanistan is still quite significant and will continue to be so in the near term. Nevertheless, budgets are decreasing and USAID has a policy decision that indicates that USAID will not begin any

new major infrastructure projects at this point. Thus, the USAID vision has a highly practical rationale: to “lock in” the great improvements in Afghanistan’s power sector by supporting a self-reliant, strong national power utility that will operate and maintain the investments made to date and continue to expand access to power with a commercially sustainable enterprise.

- [REDACTED] further noted that in the next two to three years, USAID wants to see a DABS where:
 - The problem of access to electricity in southern Afghanistan is solved by connecting the NEPS and SEPS power grids and to southern Afghanistan experience the great transformation that Kabul has already experienced over the past five to seven years, with plentiful power nearly 24 hours a day, enabled by new regional power agreements and increased domestic production.
 - A significant increase in domestic power production is achieved driven by private sector investment that will create jobs, economic growth, and energy security.
 - The Kandahar Solar project will set the stage for such development through development of power purchase agreements and other contractual arrangements that will spark investor interest and that USAID expects DABS to lead this effort.
 - The formation of a regional energy grid is achieved with Afghanistan at the center with the ability to dispatch power between Central and South Asia, fostering closer economic ties with neighbors.
 - And to see a financially strong, corporately independent DABS that has world-class capabilities including the ability to sell stock to raise the capital necessary to expand its system to serve more Afghans.
- [REDACTED] noted that his hopes for the retreat were to achieve the following objectives:
 - To work to improve our performance in the here and now.
 - To build the team work and communication across the DABS-USAID team;
 - Identify the constraints to our performance;
 - Create an action plan to address those constraints.
- And finally, [REDACTED] noted that in these sessions, USAID is hoping for:
 - Frank, open and respectful discussion where we can better understand each other and find ways to function more effectively as a team.
 - An open a discussion about the longer term vision and how USAID and DABS might jointly get there, an objective that will take more time than would be available today, but it was important to get that conversation started.

3. Leveraging Success. [REDACTED] USAID Infrastructure Division Chief, then gave a presentation on leveraging success. A copy of the slides used in his

presentation are included as part of Attachment 3. His discussion focused on many of the accomplishments to date by the DABS and USAID management Team.

- [REDACTED] noted the significance of the on-budget approach to working with DABS and the great challenges associated with this approach to assistance and that the PTEC project was the largest on-budget project in the world for USAID.
- [REDACTED] discussed how the reporting from SIGAR and how DABS has achieved a much more positive risk review when compared to other Afghan ministries which is critical to assessing their ability to properly manage USAID funds.
- [REDACTED] also noted the long period of time to position USAID and DABS to expend the PTEC funds and how these expenditures will greatly increase in the next 6 months.
- [REDACTED] cited seven examples of unsung successes by the USAID and DABS Team that demonstrated the great work being achieved to include:
 - Reduction in on-budget billing cycle times by 60%.
 - The DABS independent auditor issuing a qualified opinion for its audit of financial statements for the year 1392 (March 2014).
 - The significant investor interest in the 10MW solar farm project.
 - The improvements in the project schedule for the Arghandi-Ghazni transmission line and substation project achieved over the last 4-5 months.
 - The installation of ERP software at DABS that has already reduced DABS payroll processing time from several weeks to 2 days.
 - The signing of the Power Purchase Delivery Agreement between DABS/MOI/MOD which has injected tens of millions of dollars in DABS in increased revenue.
 - The commitment by both DABS and USAID to remain at Kajaki and being focused on completion.
- And finally, [REDACTED] stressed the importance of how the team must leverage the past successes to excel in the next phase of the work and the importance to recognize the staff that made these successes happen.

4. Corporate Transparency in DABS. [REDACTED], Deputy Mission Director for USAID, spoke to the group about corporate transparency in DABS.

[REDACTED] opened by stating that he wanted to talk about a sensitive and thorny issue, the topic of anti-corruption. He stated that corruption, simply stated, is the use of public office for private gain and that corruption can take many forms such as bribery, rigging of contract bids to favor a particular bidder and hiring based on nepotism.

- [REDACTED] emphasized that corruption is not a specific Afghan problem; it is not limited to a particular culture; and regardless of where it occurs, it is not tolerable under any circumstance. He noted that last year he spoke to many in the audience about how USAID implements ethics and procurement integrity and that he wanted to emphasize, that in USAID's our ongoing relationship with DABS, part of capacity development is developing a common approach to address corruption. He noted that we need to strive to speak the same language when it

comes to procurement integrity, ethics and enforcing the rules and regulations addressing appropriate standards of conduct in the workplace.

- [REDACTED] explained that taking on the challenges of building an ethical environment is a constant and ongoing matter. It never ends. To address these challenges requires not only the rules and controls within the organization to do so. It also requires the ability to investigate and resolve difficult situations. To do so requires the political will of top leadership. But, beyond that, it requires a commitment by each and every employee to know the rules and to have confidence that if an employee sees a violation of the rules that there is a way to report such violation; to have the confidence that a reported violation will be taken seriously and appropriate enforcement of the rules will occur.
- [REDACTED] continued by noting that most recently the topic of anti-corruption has been in the Afghan news. USAID firmly believes that the Afghan government has the political will to tackle corruption. The Afghan government outlined strong commitments to specific reforms at the start of the new administration in the Realizing Self-Reliance paper. Even with the challenging political context, President Ghani and CEO Abdullah have instituted tangible anti-corruption reforms such as the development of the National Procurement Commission and the move to e-payments of customs duties.
- [REDACTED] also noted that at USAID, efforts to address anti-corruption are not stand alone activities. USAID incorporates anti-corruption efforts into all of its programs. USAID's stand-alone anti-corruption programming leverages the ongoing USAID program efforts, including capacity building and systems strengthening in the public service delivery sectors where the USG invests a lot of money and where public frustration around corruption is extremely high. USAID's efforts also support civil society organizations to advocate for anti-corruption reforms and to monitor government reforms efforts.
- [REDACTED] stated that the work with DABS is one of the Agency's best examples of how sector-specific development work can, and does, mitigate corruption through systems strengthening. He then discussed the various actions implemented through the PTEC project that address areas of potential corruption for DABS:
 - For example, prior to disbursing funds on PTEC, USAID conducted a risk assessment and follow-up to determine the weaknesses in the DABS financial and corporate management systems that could put USG funds at risk. Once DABS resolved most of these findings, USAID and DABS agreed to twelve conditions precedent to the disbursement of funds that required progress toward resolving the remaining deficiencies, many of which would take time, such as having an independent auditor verify and value DABS assets.
 - Through Implementation Letter agreements, USAID retains the right to conduct independent audits of DABS accounts and management of USAID funds. USAID stays closely involved in approving all procurement actions and invoices associated with the PTEC project.
 - Working side by side with DABS employees, USAID participates in all PTEC procurements to ensure fair and open procurements, prepare procurement documents, conduct effective technical and financial bid evaluations, negotiations with contractors, and prepare contract documents. In addition to

this capacity building, USAID employees have participated in all procurements as observers.

- Under the USAID-funded PTEC commercialization projects, financial and utility management software has been installed. The software improves the transparency and accuracy of financial and accounting systems and moves DABS toward compliance with International Financial Reporting Standards (IFRS). Financial statements are now complete and prepared on a regular schedule.
- DABS now has independent audits of its accounts and finances each year. In addition, it has set up an internal auditing group that regularly audits internal operations within DABS and reports their findings to the Board of Directors.
- An independent auditor was retained under USAID-funding to conduct a complete verification and valuation of DABS assets. A complete asset register will be produced as part of this effort. Lack of verified assets has resulted in audit objections on all of DABS financial statements up to the last one which just had a qualification that will be removed once the assets are verified and valued.
- Human resources and payroll software has regularized management of DABS employees and has reduced production of payroll to two days, down from one month. Employee salaries are now deposited directly into their bank accounts.
- To reduce commercial losses and increase revenues, smart retail meters are being procured and installed under PTEC that will automate customer billing and allow DABS to disconnect power to individual customers who do not pay their bills. In addition, these meters can be configured to be pre-purchase meters that require a customer to pay in advance for a specific quantity of electricity. By removing manual meter reading and replacing analog meters, most of which have been tampered with, a huge source of petty corruption is being removed.
- Finally, in this long list of accomplishments that directly reduce the potential for corruption, DABS has been at the forefront of bill payments by customers through mobile technology. Over 60,000 customers now pay their utility bills using their mobile phones with payments being directly transferred from their bank accounts to a DABS bank account. This removes another potential source of corruption.
- [REDACTED] noted that these are accomplishments that need to lead our communication efforts. Perhaps the best measure of success is receiving a compliment from one of the toughest critics. As SIGAR, the IG for Afghanistan reconstruction, has noted, “The risk mitigation plan for DABS is a best practice because it delineates how the risks associated with relying on ministries to manage direct assistance will be mitigated using existing conditions precedent, ongoing conditions, and agreements with the Afghan government.” SIGAR goes on to state that DABS stands in the lead in front of all other Afghan ministries in “showing the will to address concerns that could lead to corrupt acts.”
- [REDACTED] noted that he felt confident stating that the processes and procedures are in place to counter the potential for corruption in DABS. There is a growing awareness that needs to be reinforced about each employee’s personal role to report ethical violations, and take responsibility for creating an ethical work

environment. But, perhaps most importantly, he stated that he believed that there is the political will in place to take action to counter corrupt acts.

- [REDACTED] summarized by stating that within the US government, there is a fundamental principle that “public service is a public trust.” USAID wants to work hand in hand with DABS to maintain this public trust. He explained that in the US ethics rules not only require that financial conflicts of interests be avoided but, even more, that also the appearance of a conflict of interest be avoided. He noted that this does not mean that employees could be dismissed based on rumor or second hand information that the employee has a conflict of interest. In fact, it is exactly the opposite. Having a rule that an employee should avoid the appearance of a conflict of interest means that an employee should have the ability to ask and consult and receive advice if questioned whether his or her exercise of authority could result in a conflict of interest. Only in this way, can an employee get rid of rumors head on. He emphasized that his point is about transparency. When procedures seem overly bureaucratic and poorly understood, those on the outside can take a perspective that there is an opportunity for corruption.
 - [REDACTED] noted that an ethical workplace should always contribute to an effective operating environment. Without doubt, there will be difficult decisions that will test the political will of leadership. And, without doubt, as DABS continues to grow, the checks and controls that will need to be taken to address opportunity for corruption will need to develop. [REDACTED] stated that DABS needs to affirmatively communicate that it has the building blocks in place to move forward in an ethical manner.
 - He further noted that there will always be those who stand ready to accuse DABS of corruption. Focusing on ethics and creating a culture where every employee understands that it is his or her responsibility to take action to counter corruption is the best response. He noted that he hopes that we can continue to work to build this type of environment.
 - In closing [REDACTED] noted that in the two short years that he has been part of this USAID/DABS partnership that he has witnessed significant progress and that he believes has resulted in an organization that is fully equipped to tackle ethics issues and can be held out as an example of successful anti-corruption efforts.
- 5. Workshop Activities.** The core part of the retreat then focused on three workshops. The participants were broken into five (5) groups. The make-up of each Group is shown on Attachment 2. Each group was asked to conduct a brainstorming session, record their information on a flip chart, identify a group spokesperson and then provide a report-out to the entire group. Three separate workshop activities were conducted as follows:
- Lessons Learned from previous experience and how the Team could improve based upon these lessons.
 - In this activity each group was asked to identify lessons learned and then provide actions required to improve processes and procedures to address these lessons.
 - These were summarized into Action Items, reviewed by the group and documented for monitoring and tracking. These Action Items are included as part of Attachment 4.
 - Communications Strengthening:

- In this activity each group was asked to identify area of communications that could be improved. This would include communications within their organization, between USAID and DABS and ways to empower others in each organization. The groups were then asked to prepare a plan for how to improve these communications issues.
- These were summarized into Action Items, reviewed by the group and documented for monitoring and tracking. These Action Items are included as part of Attachment 4.
- Looking ahead: the long term strategy for sustainability
 - In this activity each group was asked to look ahead and develop strategies for improvement. The groups were asked to identify:
 - Short term goals and the top three priorities for 2016
 - Long term goals and the top three priorities for the next 3 to 5 years.
 - These priorities, both short term and long term, were recorded for each of the five groups and are included as Attachments 5 and 6. In addition, actionable items resulting from this activity are included as part of Attachment 4.

6. Closing Remarks. Closing remarks were provided:

- [REDACTED] thanked USAID and all of his DABS colleagues for the excellent meeting and for the high level of participation.
- [REDACTED] concluded the retreat noting that the foundation for DABS and USAID collaboration has been established. He also stressed the importance of continuing to work together as a team and the importance of implementing the opportunities for improvement identified during the meeting. He closed by thanking everyone for their participation.

Attachments:

1. Agenda
2. List of participants/Sign in Sheet
3. Power Point Slide Presentation
4. Action Items
5. Short Term Goals for DABS
6. Long Term Goals for DABS

Minutes prepared by Tetra Tech



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کابل
Da Afghanistan Brochna Sherkat
Headquarters in Kabul



DABS – USAID Coordination Retreat - Agenda

January 23, 2016	
8:15am – 4:30pm	
8:15am – 9:00am	Arrival and Registration
9:00am – 9:15am	Welcome and Introductions [REDACTED]
9:15am – 9:45am	Long Term Vision for Success DABS – [REDACTED] USAID – [REDACTED] [REDACTED]
9:45am – 10:15am	Leveraging Success [REDACTED]
10:15am – 10:30am	Tea Break
10:30am – 12:00pm	Lessons Learned from Previous Experience and How Can We Improve? Small Group Brainstorming and Plenary Discussion
12:00pm – 1:00pm	Lunch
1:00pm – 1:15pm	Corporate Transparency in DABS [REDACTED]
1:15pm – 2:15pm	Communication Strengthening Small Group Brainstorming and Plenary Discussion
2:15pm – 3:15pm	Looking Ahead: the Long-Term Strategy for Sustainability Small Group Brainstorming and Plenary Discussion
3:15pm – 3:30pm	Tea Break
3:30pm – 4:15pm	Summary and Agreement on Action Items All participants
4:15pm – 4:30pm	Closing Remarks [REDACTED]



List of Participants for DABS Retreat

Number	Name	Organization	Group #	Email Address	Signature
1		DABS	NA		
2		USAID	NA		
3		USAID	NA		
4		Tt AESP	NA		
5		Tt AESP	NA		
6		USACE	NA		
7		USACE	NA		
8		DABS	1		
9		DABS	1		
10		DABS	1		
11		DABS	1		
12		USAID	1		
13		USAID	1		
14		USAID	1		
15		USAID	1		
16		Tt AESP	1		
17		Fluent Grid	2		
18		DABS	2		
19		DABS	2		
20		DABS	2		
21		DABS	2		
22		USAID	2		
23		USAID	2		
24		USAID	2		
25		USAID	2		
26		Tt AESP	2		
27		DABS	3		
28		DABS	3		
29		DABS	3		
30		DABS	3		
31		USAID	3		
32		USAID	3		
33		Fluent Grid	3		
34		USAID	3		
35		USAID	3		
36		Tt AESP	3		
37		DABS	4		

List of Participants for DABS Retreat

38		DABS	4
39		DABS	4
40		DABS	4
41		USAID	4
42		USAID	4
43		USAID	4
44		USAID	4
45		Tt AESP	4
46		DABS	5
47		DABS	5
48		DABS	5
49		DABS	5
50		USAID	5
51		Fluent Grid	5
52		USAID	5
53		USAID	5
54		USAID	5
55		Tt AESP	5

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DABS-USAID Coordination Retreat

January 23, 2016



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Welcome and Introductions

9:00am-9:15am

- [REDACTED] USAID
- **Purpose of Meeting**
 - Build teamwork across the DABS-USAID team
 - Identify specific constraints to performance
 - Understand new vision for DABS
 - Get to know each other in an informal setting
- **Objectives of Meeting**
 - Develop Action Plan to address constraints
 - Feasible, measureable and specific
 - Prepare Team to achieve significant results for the Afghan people



Administrative Items

- Restrooms
- Cell phones
- Red-Badges / Escorts
- Security
- Breaks



Agenda

9:00am – 9:15am	Welcome and Introductions [REDACTED]
9:15am – 9:45am	Long Term Vision for Success DABS – [REDACTED] USAID – [REDACTED]
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4:15pm – 4:30pm	Closing Remarks [REDACTED]



Long Term Vision for Success

9:15am-9:30am

- [REDACTED] DABS CEO



Long Term Vision for Success

9:30am-9:45am

- [REDACTED] USAID Afghanistan Mission
Director



Leveraging Success

9:45am – 10:15am

- [REDACTED], USAID



Leveraging Success: Where We've Been and Where We're Headed

DABS-USAID Management Retreat
January 23, 2016





Agenda

1. Poised to take “center stage”
2. Unsung successes across the portfolio...
3. Leveraging our past successes to excel in this next phase



Much quiet work needed to prepare to work “on budget”

- **“On budget” vs. “Off budget”:** “On-budget assistance is designed to allow the Afghans more freedom to manage their own budget and to build their capacity for doing so.” (SIGAR)
- **On-budget:** international gold standard for development assistance (cf Paris Declaration, etc.)
- **PTEC:** USAID’s largest on budget project in the world
- **Much quiet work by accountants, public financial management specialists, and DABS themselves to prepare for this approach:**
 - Repeated risk assessments of DABS corporate and financial management systems by an independent auditor over a two year period
 - DABS made substantial progress in addressing the 49 deficiencies identified in the first assessment and brought it down to 10 by the last reassessment
 - USAID made the determination that DABS systems were robust enough to conditionally disburse funds to DABS but with 12 conditions precedent requiring continuous improvement
 - DABS and USAID agreed to 12 conditions precedent requiring further, continuous improvement in their systems as a condition for continued disbursements

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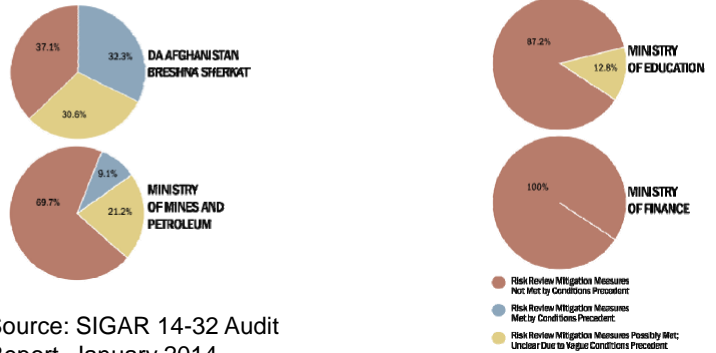
10

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SIGAR: How DABS stacks up on ability to manage USAID funds

Figure 3 - Risk Reviews Compared against Conditions Precedent, by Ministry



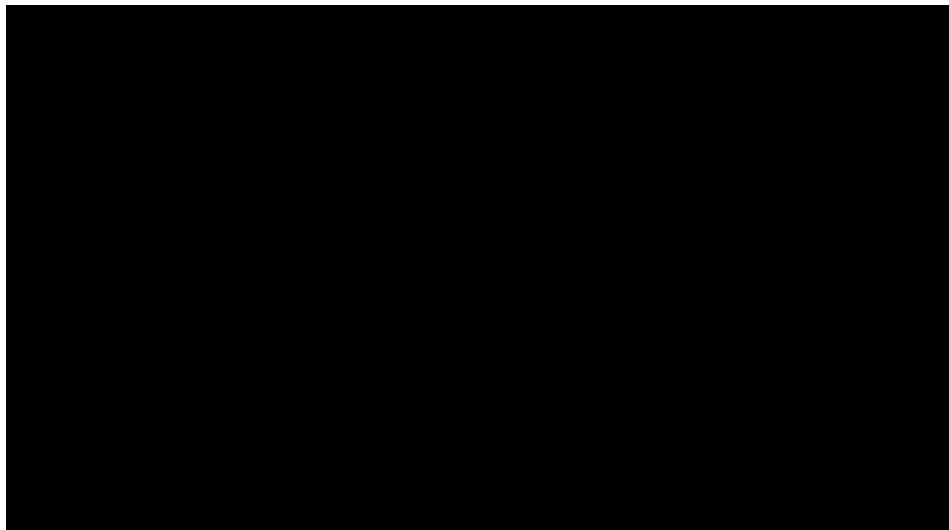
Source: SIGAR 14-32 Audit Report, January 2014

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The story of PTEC in expenditure data





Large number of high value awards in next 6 months +

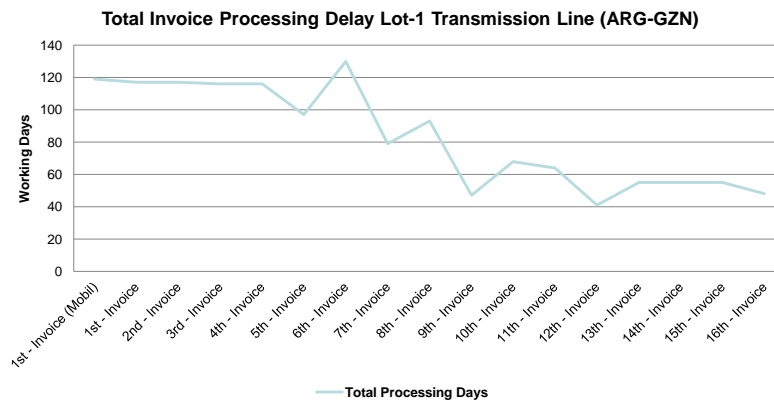
Name	Amount	RFP Due Date	Status	Projected Award Date
G-K Substations		July 2015	Final vetting	Feb 2016
G-K TL		Feb 6	Evaluation about to start	May/June 2016
Meters		Feb 8	Evaluation about to start	May 2016
Salang		Nov 2015	Financial eval about to start	Feb 2016
10MW Solar		Feb 26	Finalize docs	June 2016
SEPS Completion		Late Spring 2016	Final approval of RFP	Early summer 2016
TOTAL				

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Unsung Successes Across the Portfolio...

- **Example 1: Reduction in on-budget billing cycle times by 60% as we (DABS/USAID/MOF) learned new processes**



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Unsung Successes Across the Portfolio...

- **Example 2: After years of only issuing disclaimers (no opinion), DABS' independent auditor issued a qualified opinion for its audit of financial statements for the year 1392 (March 2014).**
 - This success is based on years of capacity building and improvements under Corporate Management Support contract
 - Upon completion of asset valuation assistance (USAID-funded), we expect to get a unqualified opinion or "clean" audit.
 - DABS is unique in whole Afghan government to receive this level of independent outside scrutiny

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Unsung Successes Across the Portfolio...

- **Example 3: 10MW solar farm project receives great investor interest:**
 - 24 solar companies from Germany, India, Turkey, China, UK, and Afghanistan attend Bidders Conference in Dubai, 11/23/15
 - 12 companies submit 70+ questions on RFP for this project (showing serious interest in bidding)
 - If successful, this project will be:
 - First PPA with an IPP in Afghanistan
 - A "game changer" in terms of opening door to private investment to increase Afghanistan's domestic capacity with private capital

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Unsung Successes Across the Portfolio...

- **Example 4: Arghandi-Ghazni Transmission Line and Substations projects schedule brought back on track (from 1+ year behind to ahead of schedule) over last 4-5 months:**
 - 300 tower foundations and 147 towers erected in past 155 days
 - Projected completion before end of 2016
 - Model of contractor/DABS/USAID/Tetra Tech collaboration:
 - DABS: “In spite of several hurdles, M/s.KEC made this to happen with great effort and strong team work.”
 - Contractor: “THANKS USAID, DABS & TETRA TECH TEAM FOR THEIR CONTINUED SUPPORT.”
 - Tetra Tech: “create a productive working environment of mutual respect among the stakeholders.”

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Unsung Successes Across the Portfolio...

- **Example 5: Installation of ERP software at DABS has already reduced DABS’s payroll processing time from several weeks to 2 days.**
 - Part of the CMS contract (Fluentgrid)
 - ERP software will have benefits across the portfolio from transparency to cycle times to management analysis of operational data
- **Example 6: Signing the Power Purchase Delivery Agreement between DABS/MOI/MOD has already injected tens of millions of dollars in DABS in increased revenue.**
 - USAID as “matchmaker” and “deal broker”
 - Improves solvency for DABS for years to come (6 mo pre-payment; 10 year term, \$800M-\$1B in total revenue over life of agreement)
 - Combined with \$200M capital investment from NATO trust fund ¹⁸

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Unsung Successes Across the Portfolio...

- **Example 7: Despite years of security challenges, lives lost, and nearly unsolvable implementation challenges, USAID and DABS remain at Kajaki, focused on completion.**
 - Continuous power production over the years
 - Viable plan to complete the installation of final turbine in 2016
 - Every major challenge has been met with an equally creative solution (e.g. MI-26)
 - SEPS Completion project will carry full output
 - 3 turbines will improve O&M capabilities

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Leveraging our past successes to excel in this next phase

- Prepare for more volume of work; different type of work (staffing, skills, effective delegations, managing contractor LOE)
- Learn from our flagship projects and apply to projects in pipeline
 - Example: our analysis of success factors in Arghandi Ghazni needs to be applied to upcoming construction awards
- Tell our story in Afghanistan and Washington: don't be shy, don't be modest
- Recognize the staff that made these successes happen; retain that team for future success

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Tea Break

10:15am-10:30am



Agenda

10:30am – 12:00pm	Lessons Learned from Previous Experience and How Can We Improve? Small Group Brainstorming and Plenary Discussion
12:00pm – 1:00pm	Lunch
1:00pm – 1:15pm	Corporate Transparency in DABS [REDACTED]
1:15pm – 2:15pm	Communication Strengthening Small Group Brainstorming and Plenary Discussion
2:15pm – 3:15pm	Looking Ahead: the Long-Term Strategy for Sustainability Small Group Brainstorming and Plenary Discussion
3:15pm – 3:30pm	Tea Break
3:30pm – 4:15pm	Summary and Agreement on Action Items All participants
4:15pm – 4:30pm	Closing Remarks [REDACTED]



Overview of Agenda

- Workshop
 - Requires participation by all
- Why are you here?
 - Stakeholder in the process
 - Something to contribute
- Open dialogue
 - Frank, open and respectful discussion
- Three Sessions
 - Lessons Learned
 - How can we improve?
 - Communications
 - Looking forward
 - Strategy and vision for sustainability
- Action Plan



Activity – Lessons Learned from Previous Experience and How Can We Improve? 10:30am-12:00pm

- Groups brainstorm Lessons Learned
 - Record on your flip charts (10:30-11:20)
 - Focus on:
 - Working relationships, internal operations, efficiency improvements, delegation, transparency, capacity building, documentation, etc.
 - Note: Communications will be addressed later in the day.
 - Select one you consider most important.
 - Prepare a plan to improve to address that lesson learned (an improvement objective)
 - Each Group select a spokesperson that will then present your improvement objective and lesson learned (11:20-12:00)
- **Goal:** Identify current issues and discuss possible solutions, goals and objectives for improvement
 - to mitigate future risk and promote sustainable best practices.



Lunch
12:00pm – 1:00pm



Corporate Transparency in DABS
1:00pm – 1:15pm

■ [REDACTED] USAID



Activity – Communication Strengthening

1:15pm – 2:15pm

- Groups brainstorm communication and relationship related improvements
 - Within your organization
 - Between USAID and DABS
 - Empowering others in each organization
- Record on your flip charts (1:15pm-1:45pm)
- As a Group, select one that is most important
 - Prepare a plan how to improve that communication issue
- Each Group select a spokesperson that will then present your improvement objective (1:45pm-2:15pm)
- **Goal:** Identify strategies for improvement of cross-organization and internal communication



Activity – Looking Ahead: The Long-term Strategy for Sustainability 2:15pm – 3:15pm

- Group Brainstorm
 - Short term: top three priorities for 2016
 - Long Term: top three priorities for the next 3-5 years
- Record on your flip charts (2:15pm-2:45pm)
- Each Group select a spokesperson that will then present their short-term and long-term goals (2:45pm-3:15pm)
- **Goal:** Determine goals and objectives for 2016 and beyond
 - To achieve long-term sustainability



Tea Break 3:15pm-3:30pm



Summary and Arriving at Action Items 3:15pm-4:15pm

- All participants
 - Discuss list of Action Items from previous activities
 - Ensure clarity and understanding
 - Agree upon
 - concrete timelines
 - follow-up steps
 - points of contacts/responsible parties
- **Goal:** Create a realistic plan
 - Make a plan for follow-up on agreed to action items



Closing Remarks 4:15pm-4:30pm

- Foundation for success is here
- Must work together
 - Implement opportunities for improvement
- Start of the process
 - Identified many areas in which we can improve
 - Continuous process
- Going forward
 - We will work together to use the SMG sessions to monitor and track progress
 - Continue the development of long-term strategy and vision for sustainability

ACTION ITEM LIST

Item Number	Description	Responsibility	Resolution Date	Comments/Notes
1.23.16-01	Review of current DABS policies and procedures (do they exist and are they being implemented) related to HR, Procurement, Project/Contract Management, Custom Exemption, LARP, Invoice Processing and Inventory. Create more tracking and monitoring of specific processes to improve processing efficiency and compliance.	DABS / Consultants		
1.23.16-02	Define and establish a delegation of authority matrix (and resulting responsibilities) that establishes authority at lower levels and empowers lowest level staff to make decisions. Establish a POC for each project with clear responsibilities defined. Form a small task force (with the right skill sets) to discuss and act on this issue.	DABS / USAID		Two kinds of authority - 1) DABS articles of incorporation (COO), consider changes in bi-laws to encourage delegation, 2) for projects, authority is given by contract (defines role of PM), authorized representative is the CO
1.23.16-03	Create training program to orient staff to procedures and teach them how to execute these procedures, while passing on knowledge learned from current projects to strengthen the capacity of Program Management and all staff.	DABS / USAID		
1.23.16-04	Increase the development of success stories / fact sheets highlighting recent DABS accomplishments to improve perceptions of DABS. Stories can be shared through monthly publications, on the DABS Facebook page, and within the DABS organization.	DABS / USAID		Need to address the perception within the Afghan community specifically.
1.23.16-05	Conduct an internal ethics review to serve as a basis for improving external perception of DABS, and for reducing perception of corruption by Afghan public.	DABS		
1.23.16-06	Develop a strategy related to DABS public relations. Form a small task force to discuss and act on the above.	DABS / USAID		
1.23.16-07	Hold follow-up coordination sessions to improve teamwork in making decisions between USAID, DABS and other donors, and align DABS and donor expectations and priorities.	DABS / USAID		For high-level meetings with DABS / USAID /WB / ADB / other donors on coordination and strategy.
1.23.16-08	Establish a communications matrix, which increases communications efficiency and changes the culture surrounding electronic communications.	DABS		
1.23.16-09	Establish a regular meeting protocol, structure and frequency at different leadership levels. Conduct physical meetings when possible. When physical meetings are not possible, maximize use of technology.	DABS / USAID		For everyday / regular meetings.
1.23.16-10	Prepare one-page action memos or progress reports about specific issues to submit to top-level management, which will reduce frequency of communication and keep good records of decisions made so that they may be kept and shared.	DABS		
1.23.16-11	Strengthen the use of Facebook to share information with customers.	DABS / USAID		
1.23.16-12	Hold institutional and capacity building trainings in project management (for PMP exam). Train system operators to be able to run and maintain the systems once they are completed.	DABS / USAID		
1.23.16-13	Conduct a skill-gap assessment within DABS.	DABS		
1.23.16-14	Conduct a training-needs assessment within DABS.	DABS		
1.23.16-15	Evaluate DABS approach to Land Acquisition for projects.	DABS		Obtain clarity on eminent domain issues in Afgh.
1.23.16-16	DABS / USAID hold quarterly strategy meetings to discuss ways to involve the private sector in future infrastructure projects, in order to improve domestic power generation and to encourage investment in Afghanistan (to the extent that USAID is involved).	DABS / USAID		
1.23.16-17	Improve financial sustainability through streamlined and improved billing and collection.	DABS		
1.23.16-18	Improve USAID / DABS coordination on current project completion and procurement, emphasizing lessons learned from initial projects, so that both parties are informed and can drive progress.	USAID / DABS		
1.23.16-19	Include DABS on meetings with other stakeholders (such as USACE) in order to improve coordination across planned and current projects.	USAID / DABS		
1.23.16-20	Regulation and oversight of MOEW vis a vis tariff formation.	USAID / DABS		

**DABS-USAID Coordination Retreat
Meeting Minutes
Attachment 5**

Short-Term Goals for DABS (2016)

Group 1

1. Improve delegation of authority among DABS staff members
2. Improve internal and external communications
3. Conduct training in project management for DABS staff

Group 2

1. Complete current projects on time
2. Improve financial stability and increase revenue
3. Complete Kajaki project

Group 3

1. Keep current projects on track (NEPS-SEPS / Kajaki / Solar)
2. Kick start newly awarded projects
3. Improve communication with customers to explain benefits for and to the people

Group 4

1. ERP Power Implementation
2. Inventory Management System
3. Completion of Arghandi-Ghazni Transmission Lines and Substations
4. Successful award of RFP solicitations
5. Conduct Asset verification and revaluation
6. Complete the DABS business plan
7. Institutional training and capacity building

Group 5

1. Invest in future O&M training
2. Modernize and create efficiencies
3. Minimize loss reduction
4. Improve communication

**DABS-USAID Coordination Retreat
Meeting Minutes
Attachment 6**

Long-Term Goals for DABS (3-5 Years)

Group 1

1. Industry reform, development of strategic objectives and improvements to resource planning
2. Certify procurement department of DABS
3. Privatize (IPO) DABS, such that there are shareholders and traditional board meetings and profit is distributed to shareholders

Group 2

1. Build domestic generating capacity through renewable energy
2. Capacity Building
3. Improve power quality

Group 3

1. Nationwide electricity grid for distribution to all customers
2. Power transport through Afghanistan and beyond to the larger region
3. Increased private sector investment and engagement

Group 4

1. Execute business plan
2. Establish relations with the Ministry of Energy and Water
3. Review / Change the legal framework, establishing an energy law and a national energy policy
4. Government of Afghanistan divests to the Private Sector, as Generation, Transmission and Distribution are separated

Group 5

1. Capacity Building
2. Involve the private sector
3. Improve domestic generation through renewable resources